



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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January 28, 2005

The Honorable Jeb Bush
Governor of Florida
Office of the Governor
The Capitol
Tallahassee, Florida 32399-0001

Dear Governor Bush:

Subject: Report to the Governor's Office Regarding Cash Payments as Mitigation

This letter is written to transmit the attached routine report to your office. This report has been prepared pursuant to Section 373.414(1)(b)(2), Florida Statutes, requiring water management districts to report annually to the Governor's Office on the collection of funds received as a form of mitigation for wetland impacts authorized pursuant to Part IV of Chapter 373, F.S. This report summarizes mitigation fund expenditures for the reporting period and the utilization of mitigation funds anticipated for calendar year 2005.

If you have any questions, please feel free to contact Mr. Fred Davis, Director of our Land Stewardship Division, at (561) 682-6636.

Sincerely,

A handwritten signature in cursive script, appearing to read "Henry", is written over a horizontal line.

Henry Dean
Executive Director

HD/mm
Attachment: Mitigation Report

c: Fred Davis, SFWMD

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Introduction

This information covers the preceding calendar year of 2004 and is specific to two mitigation projects: Corkscrew Regional Ecosystem Watershed (CREW), located in Lee and Collier Counties and Pennsuco, in Miami-Dade County. In accordance with Florida Statutes Chapter 373.414(1)(b)(2), this report provides a description of the two endorsed mitigation projects, including available mitigation fund balance, expenditures during this timeframe and where applicable, success criteria, monitoring and long-term management. The two mitigation sites no longer accept mitigation funds from new permit applications but continue as expenditure sites; therefore there is only a land stewardship component to this report and not a regulatory component.

Corkscrew Regional Ecosystem Watershed (CREW)

CREW is a vast project covering approximately 60,000 acres in Lee and Collier Counties (Figure 1). The CREW lands contain some of the largest remaining pristine cypress wetlands in the United States, providing habitat to a number of rare, threatened and endangered species. In June of 1995, the SFWMD began accepting cash payments in CREW as a form of mitigation to offset impacts to wetlands. Mitigation funding provides land acquisition, chemical treatment of exotics, hydrologic enhancement, and management through security monitoring, and prescribed burning.

The associated environmental benefit of land acquisition in CREW contributes to corridor building and improved wildlife habitat for threatened and endangered species. Additional benefits for the conservation and protection of water resources in CREW include improved water quality, water management and flood protection.

Acquisition. The "Summary of Wetland Mitigation Balances by Project" report dated September 30, 2004* prepared by Accounting indicates a balance of \$923,164.43 available in the CREW land acquisition fund, excluding funds accruing from interest. During this reporting period, mitigation funding acquired one, 5.0 acre tract at a cost of \$17,000. Additional expenditures for these and future acquisitions included title commitment, insurance, appraisal, risk assessment and staff support which further debited this account by \$1,584.71, for a total expenditure in 2004 of \$18,584.71. Figure 2 provides a summary of the mitigation lands acquired to date within the CREW boundary. For fiscal year 2005, \$270,000 is budgeted for land acquisition and \$30,000 for associated costs.

* Reporting period is through September 30, 2004 not December 31, 2004 as required, due to extended illness of SFWMD staff member who would have provided this information. Please note no additional permits have been directed into these accounts and only interest was gained through end of calendar year.

Restoration. The financial summary report indicates an available balance of \$905,892.82 on September 30, 2004* in the restoration fund. During this reporting period, the District expended \$224,833.00 for contractual services in the initial treatment of exotic species such as melaleuca, Brazilian pepper, cogon grass, downy rose myrtle, lygodium, bahia and creeping signal grass on 6756 acres in CREW. Of this, \$176,386.48 or 78% was funded with mitigation funding which accounted for the treatment of 5270 acres. SFWMD staff supported the CREW mitigation with project oversight at a cost of \$1,402 for a total expenditure for this reporting period of \$177,788. For fiscal year 2005, \$150,000 is budgeted for exotic removal, and \$15,000 for equipment rental to support restoration activities.

The monitoring program provides qualitative and quantitative assessments, over a five-year period, documenting vegetative change in response to hydrologic and groundcover restoration, exotic plant control and revegetation activities. Restoration success will be gauged by the reduction of exotic species and recruitment of target hydrophilic native species along each of the six transects at four sites (Figure 3). The four sites are in various stages of site preparation, exotic removal and treatment, revegetation and hydrologic restoration that have occurred over a period of four years. Other factors that were monitored include water level and/or soil saturation, observed aquatic macrofauna, wildlife utilization, and/or indicators of wildlife (i.e. tracks, scat) at equally spaced locations along each transect. During this reporting period, KCI Technologies Inc, submitted their second (June '04) and third (Dec '04) semi-annual monitoring reports. The latest monitoring report indicated a gradual improvement in vegetative composition. Exotic grasses are declining and being replaced by native Florida species.

Management. As of September 30, 2004*, the financial summary report indicates a balance of \$22,757.81 available as interest from the long-term management corpus amount. During this reporting period, \$12,250 in District staff costs provided support of the management component in conducting activities such as prescribed burn. Interest generated from the acquisition and restoration funds is available either for acquisition, restoration or for long-term management. The financial summary report shows \$307,499.99 in this column; for purposes of this report the total available management funding is this, plus interest generated from the corpus or \$330,258.

Pennsuco

The Pennsuco Regional Mitigation Area in Miami-Dade County is part of the Pennsuco Wetlands or Cell 26 (Figure 4), of the East Coast Buffer (ECB).

* Reporting period is through September 30, 2004 not December 31, 2004 as required, due to extended illness of SFWMD staff member who would have provided this information. Please note no additional permits have been directed into these accounts and only interest was gained through end of calendar year.

The Pennsuco Wetlands/Cell 26 covers an area of approximately 13,000 acres in Dade County. Pennsuco is located between the Dade-Broward Levee and US 27 (east/west), and extends south to the Tamiami Trail (US 41).

In 1995, the SFWMD began utilizing Pennsuco as a regional off-site mitigation area, allowing permit applicants to make mitigation contributions for the acquisition, enhancement, and long-term management of Pennsuco lands as compensation for permitted wetland impacts. The environmental benefit will provide protection, enhancement and management of the floral, faunal, and hydrologic resources of Pennsuco parcels. Pennsuco emphasizes the enhancement of a degraded ecosystem that likely will continue to degrade and further impact adjacent natural areas, unless actions are taken to reduce the spread of exotics. The enhancement of Pennsuco has the potential to yield regional ecological benefits and contribute to the goals of Everglades' restoration.

Acquisition. The Summary of Wetlands Mitigation Balances by Project indicates that for period ending September 30, 2004*, a balance of \$92,606.86 is available in the Pennsuco land acquisition fund. During this reporting period, mitigation funding debited the acquisition account a total of \$2,011,750 for a SFWMD budget amendment that transferred out and reimbursed P2000, the original funding source of the 407.2 acres. Associated costs for the appraisals of future acquisitions debited the account by \$20,800 for a total expenditure in this account of \$2,032,550. Figure 5 summarizes the acquisition to date in Pennsuco.

Restoration. The treatment program involves a multi-year herbicidal and manual removal program with a follow-up controlled burn. At the end of year five, it is expected the melaleuca can be controlled by routine maintenance through use of the long-term management fund. Land managers conduct semi-annual aerial and on-ground monitoring to evaluate exotic treatments and provide timely, adaptive follow-up treatment.

The Summary of Wetlands Mitigation Balances by Project report indicates a balance of \$7,748,381.04 available on September 30, 2004*. During this reporting period, Lake Belt mitigation funding reimbursed this account through a budget amendment by \$3,425,497.07 to account for the restoration of 1075.9 acres that developer's mitigation funded but rock miner's took credit for after the developer's mitigation was satisfied. In addition, the District expended \$196,027.64 in the treatment of exotics and \$10,046.49 for staff associated costs, totaling \$206,074.13. The work effort included completion of 2100 acres of initial and follow-up aerial treatments. Ground crews conducted initial and follow-up treatments on approximately 650 acres.

* Reporting period is through September 30, 2004 not December 31, 2004 as required, due to extended illness of SFWMD staff member who would have provided this information. Please note no additional permits have been directed into these accounts and only interest was gained through end of calendar year.

During the next reporting period ground crews will conduct aerial treatments on approximately 1000 acres and ground treatments on 1000 acres. Presently, the total area treated with developer's mitigation funds amounts to 5102 acres as shown in Figure 6. A work plan of the treatments to date is shown in Figure 7 and a visual depiction of the treatments over time is shown on Figure 8.

During this reporting period KCI submitted their fourth (June '04) and fifth (Dec '04) semi-annual monitoring reports, which evaluate the treatment efforts. The monitoring requires qualitative and quantitative assessments that document the success of the vegetative restoration, reduction of exotic species and recruitment of target native species, sawgrass in particular. Water level and/or soil saturation, observed aquatic macrofauna, wildlife utilization, and/or indicators of wildlife (i.e. tracks, scat) were recorded at 4 equally spaced data collection stations, every approximately 1200, along each transect. The latest monitoring report indicated levels of live melaleuca at less than 2% throughout. An accumulation of dead sawgrass had been suppressing growth of new sawgrass.

Recent fire eliminated much of the dead material making open spaces to be colonized. At the time of the most recent monitoring sawgrass coverage had decreased. Plants were small but vigorously growing as they recovered from the fire. A substantial increase in sawgrass coverage is anticipated as existing plants grow and spread by sending rhizomes into open spaces over the next year. The plant composition is healthy, with no sign of invasion by exotic species or significant increases in undesirable natives like cattail.

Management. According to the "Summary of Wetland Mitigation Balances by Project" report, as of September 30, 2004*, there was \$446,882.46 available as interest from the corpus amount. During this reporting period, Lake Belt mitigation funding reimbursed this account through a budget amendment by \$1,041,466.90 to account for the long-term management of 1075.9 acres that developer's mitigation funded but rock miner's took credit for after the developer's mitigation was satisfied. Utilization of monies from this fund will commence upon full restoration. Interest generated from the acquisition and restoration funds is available either for acquisition, restoration or for long-term management. The financial summary report shows \$2,313,612.15 in this column, for purposes of this report the total available management funding is this, plus interest generated from the corpus or \$2,760,494.90.

Summary

The following financial summary as of September 30, 2004* summarizes the balances available into acquisition, restoration, and management categories:

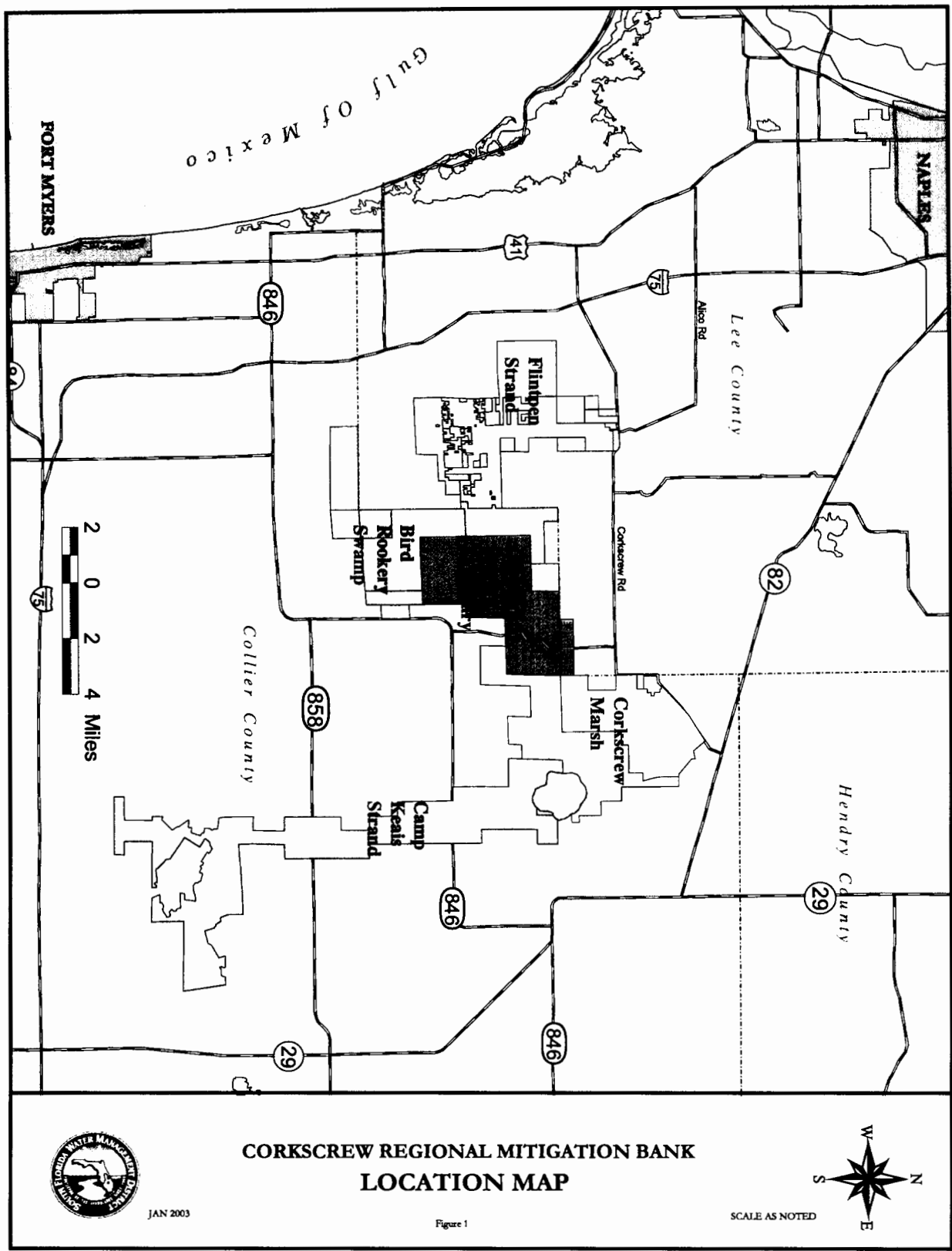
* Reporting period is through September 30, 2004 not December 31, 2004 as required, due to extended illness of SFWMD staff member who would have provided this information. Please note no additional permits have been directed into these accounts and only interest was gained through end of calendar year.

Project	Land Acquisition	Restoration	Long-Term Maintenance	Total
CREW	\$923,164.	\$905,893.	\$330,258.	\$2,159,315
Pennsuco	\$92,607.	\$7,748,381.	\$2,760,495.	\$10,601,483.

The following expenditure summary categorizes the mitigation fund spending into components of acquisition, restoration and management for period January 1, 2004 - December 31, 2004:

Project	Land Acquisition	Restoration	Long-Term Maintenance	Total
CREW	\$18,584.71	\$177,788	\$12,250	\$208,623.
Pennsuco	\$2,032,550	\$206,074.13	\$0	\$2,238,624.
Total	\$2,051,135	\$383,862	\$12,250	\$2,447,247

* Reporting period is through September 30, 2004 not December 31, 2004 as required, due to extended illness of SFWMD staff member who would have provided this information. Please note no additional permits have been directed into these accounts and only interest was gained through end of calendar year.

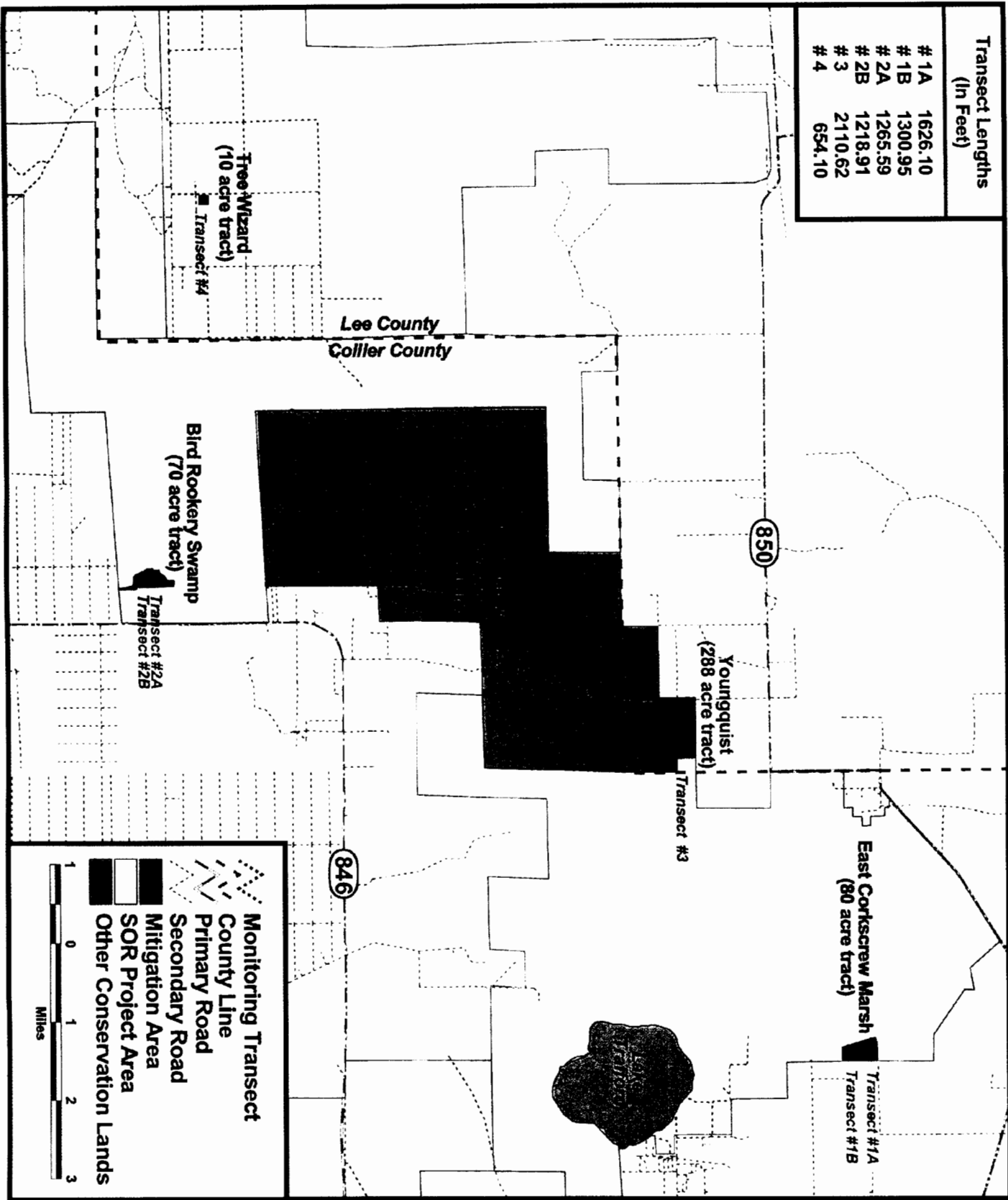


CREW ACQUISITION PARCELS
Using Mitigation Funding
As of December 31, 2004

Tract	Acreage	Cost	Mitigation Location
001-002	237.4	\$200,840.40	R27,T45,S13
003-488	40.0	\$61,000	R26,T47,S24
003-765	5.0	\$20,000	S35
003-757	5.0	\$20,000	"
003-776	5.0	\$20,000	"
003-761	5.0	\$20,000	"
003-766	5.0	\$20,000	"
003-758	5.0	\$20,000	"
003-772	5.0	\$20,000	"
003-804	25.0	\$45,000	S21
003-805	2.5	\$4,500	"
003-806	5.0	\$9,000	"
003-807	2.5	\$4,500	"
003-808	2.5	\$4,500	"
003-809	2.5	\$4,500	"
003-815	185	\$333,000	S22 &27
003-816	10	\$10,500	S22
003-826	30	\$54,000	S24
003-828	5.0	\$9,000	"
003-829	65.76	\$117,000	"
003-833	2.5	\$4,500	S21
003-760	5.0	\$130,000	S35
003-755	10.0	\$45,000	"
001-038	283.49	\$992,983.99	R27, T46, S35
100-005	20.00	\$250,000	R26, T47, S31
003-234	5.0	\$17,000	S27
003-245	5.0	\$12,500	"
003-256	5.0	\$23,000	"
003-277	5.0	\$23,000	"
003-278	5.0	\$23,000	"
003-302	5.0	\$17,000	"
003-304	5.0	\$23,000	"
003-307	5.0	\$23,000	"
003-308	5.0	\$23,000	"
003-325	10.0	\$25,000	S28
003-358	10.0	\$25,000	S28
003-302	5.0	\$17,000	R26, T47, S27
TOTAL	1039.15	\$2,671,324.	

Figure 2

Transect Lengths (In Feet)	
# 1A	1626.10
# 1B	1300.95
# 2A	1265.59
# 2B	1218.91
# 3	2110.62
# 4	654.10



**Corkscrew Regional Mitigation Area
Monitoring Sites**

Figure 3



July 28, 2003

PROJECT LOCATION MAP

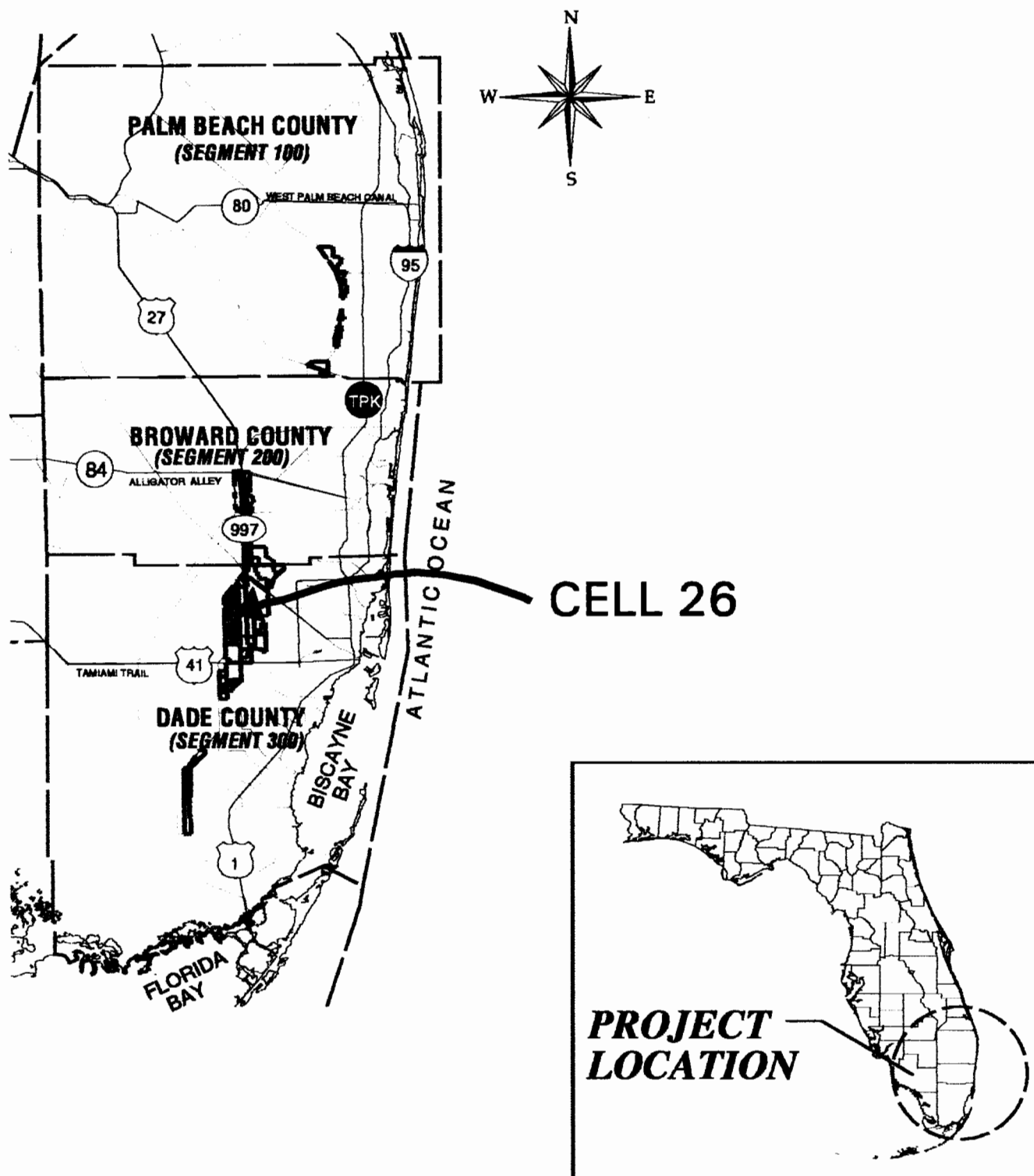


Figure 4

PENNSUCO ACQUISITION PARCELS
Using Developer's Mitigation Funding (211)
As of December 31, 2004

Tract Number	Acreage Acquired with Mitigation Funds	Mitigation Funded	% of Tract
300-932	482.50	\$868,500	100%
300-912	160	\$400,000	50%
300-913	320	\$800,000	100%
301-916	160	\$400,000	50%
301-917	120	\$300,000	50%
300-962	160	\$400,000	50%
304-973	320	\$800,000	100%
304-940	5.0	15,000.	100%
304-941	10.0	30,000.	100%
304-952	10.0	30,000.	100%
305-967	5.0	15,000.	100%
306-920	10.0	30,000.	100%
305-951	1.36	\$4,800.	100%
306-926	2.5	\$8,750.	100%
305-968	5.0	\$15,000.	100%
305-915	1.44	\$5,100.	100%
305-912	5.0	\$15,000.	100%
305-956	.68	\$2,400.	50%*
305-957	.68	\$2,400.	50%*
305-927	2.045	\$7,150.	50%*
300-919	40	\$100,000	50%*
303-965	5	\$15,000	50%*
**	407.2	\$2,011,750	**
TOTAL	1750.905	\$5,407,350	

* Lands acquired with 50% miner's mitigation funds and 50% developer's mitigation; acreage represented is amount acquired with fund 211 only.

** 56 parcels total, with federal share contributing 50% of the acquisition price on 40 of these parcels – indicated in italics. The balance of the tracts and other 50% of federally acquired tracts were acquired with P2000. Mitigation funds were used to swap out the P2000 acquired land with 50% coming from developer's (fund 211) and 50% from the Lake Belt miner's. The 56 parcels included: 300-914, 300-917, 300-920, 300-921, 300-925, 300-928, 300-929, 300-931, 300-932, 300-959, 300-961, 300-963, 300-987, 300-988, 300-989, 300-990, 300-991, 300-992, 300-993, 300-994, 300-995, 300-996, 301-900, 301-903, 301-904, 301-906, 301-907, 301-908, 301-910, 301-913, 301-914, 301-915, 304-932, 304-971, 305-903, 305-921, 305-928, 306-929, 306-935, 306-943, 306-948, 306-966, 306-976, 306-977, 307-923, 307-924, 307-925, 307-926, 307-928, 307-929, 307-930, 307-934, 307-936, 307-938, 304-966, 304-968, and 304-974.

Figure 5

Treatment Area in Pennsuco End of Calendar Year 2004

Acres Owned by Others Treated with Developer's Mitigation Funds

Tract #	Owner or Funding Source	Acreage
300-930	City National (\$2M deposit by SFWMD)	1247.20
300-912	Farm Bill	160
301-916	Farm Bill	160
301-917	Farm Bill	120
300-962	Farm Bill	160
305-085	TIITF/State of FL	549
304-984	TIITF/State of FL	320
Total Acres Treated		2716.2*

Acres Acquired and Treated with Developer's Mitigation Funds

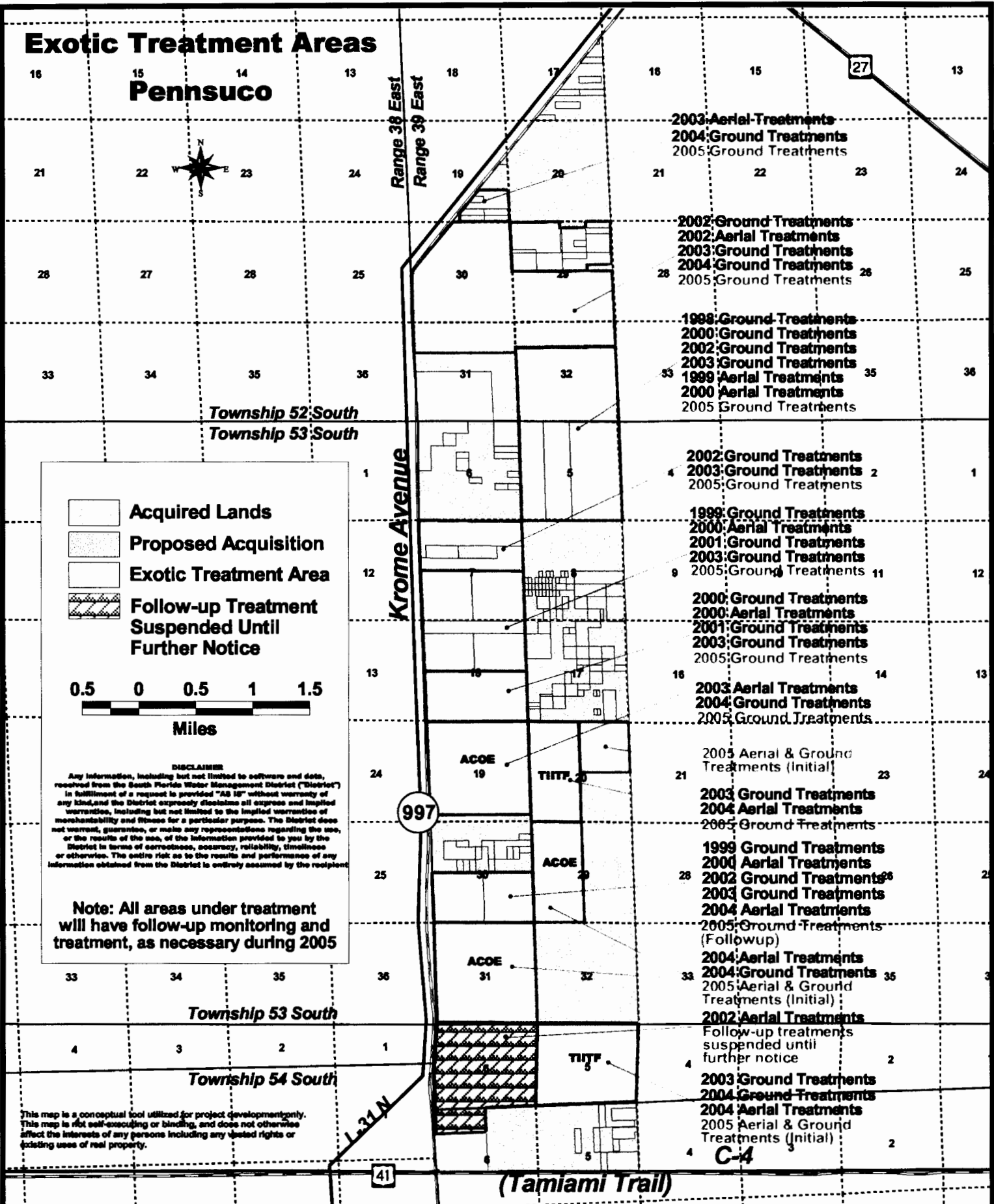
Tract #	Owner	Acreage
303-960	SFWMD	8.78
303-967	SFWMD	9.8
303-963	SFWMD	10
303-964	SFWMD	10
300-925	SFWMD	90.97
300-928	SFWMD	4.87
300-929	SFWMD	28.18
300-921	SFWMD	33.95
300-920	SFWMD	10.00
300-914	SFWMD	9.74
300-915	SFWMD	10
300-916	SFWMD	29.21
300-917	SFWMD	37.92
300-932	SFWMD	482.50
300-913	SFWMD	320
300-912	SFWMD	160
304-966	SFWMD	165
304-971	SFWMD	25
304-968	SFWMD	100
301-916	SFWMD	160
304-974	SFWMD	80
301-917	SFWMD	120
304-973	SFWMD	320
300-962	SFWMD	160
Total Acres Treated		2385.92

1) Total Area Treated with Developer's Mitigation Funds = 5102.12

2) *Because the Developer's Obligation has been satisfied, the "credit" for two-thirds of these treatments was swapped out with the Lake Belt Miner's to reduce their obligation in September 2004.

Figure 6

Exotic Treatment Areas Pennsuco



East Coast Buffer Pennsuco Exotic Treatment Areas

UPDATED
17-OCT-04
P. & C. 118

Figure 7

Melaleuca Control in Pennsuco Regional Mitigation Area

April
1998



October
2000



November
2004

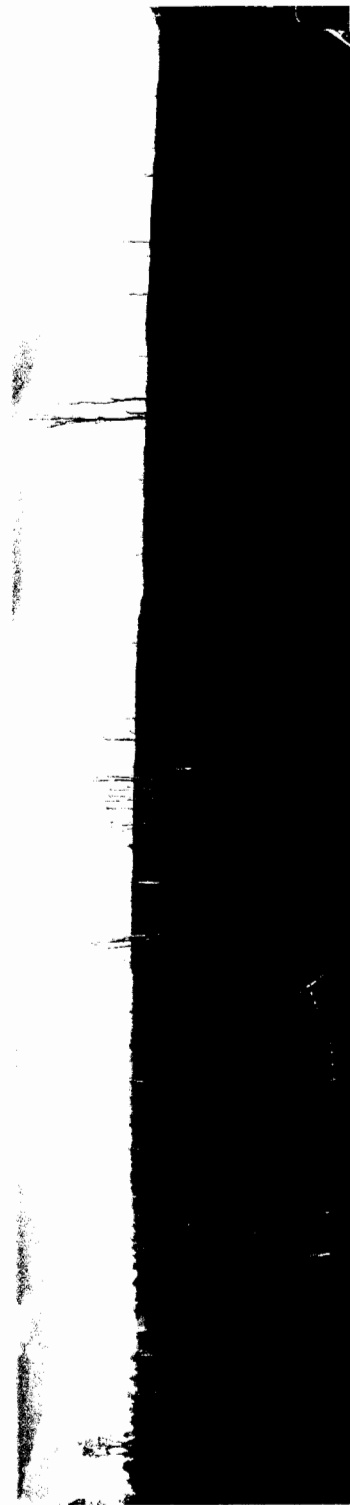


Figure 8